



**AGREEMENT  
FOR  
INTERCONNECTION  
BETWEEN  
THE CITY OF MESA  
AND  
RESIDENTIAL CUSTOMER  
FY 15-16 PILOT**

**(Customer address)**

**City of Mesa Account No. xxxxxxxxx**

**AGREEMENT FOR INTERCONNECTION  
BETWEEN  
THE CITY OF MESA AND RESIDENTIAL CUSTOMER**

**This** Agreement for Interconnection Service ("Agreement") is made and entered into as of the \_\_\_\_\_ of \_\_\_\_\_ 201\_ ("Effective Date"), by and between RESIDENTIAL **CUSTOMER** (hereinafter "Customer"), and the **CITY OF MESA**, an Arizona municipal corporation organized and existing under the laws of the State of Arizona (hereinafter "City"). From time to time Customer and City of Mesa shall be individually referred to herein as a "Party" and collectively as the "Parties."

**WHEREAS**, Customer is installing a Generation Equipment (hereinafter called the "Distributed Generation Equipment") at Customer's location (Address) ("the Site");

**WHEREAS**, the Distributed Generation Equipment is located in City's Energy Resources Department's electric utility's ("ERD Electric Utility") distribution service area (the "Electric Service Area"), and ERD Electric Utility provides electric power and energy to the Site;

**WHEREAS**, Customer desires to establish interconnection with ERD Electric Utility at the Site so Customer may operate a Distributed Generation Equipment in parallel with ERD Electric Utility electrical System (the "System");

**WHEREAS**, City requires an executed Agreement for the interconnection of service from all of its customers prior to operation of any Distributed Generation Equipment in parallel with the ERD Electric Utility electrical System;

**NOW, THEREFORE**, in consideration of the Recitals and the mutual undertakings and agreements contained in this Agreement, the Parties covenant and agree as follows:

1. **APPLICABILITY:** In order for Customer to be eligible to enter into this Agreement, Customer represents and warrants that it has met all of the following conditions ("Applicability") :
  - A. Customer is a current City electric utility account holder and receives service at the Site within the Electric Service Area.
  - B. None of the grounds for Refusal or Termination of Service detailed in the Terms and Conditions for the Sale of Utilities ("Terms and Conditions of Service") exist with respect to Customer and/or any Mesa utility account at the Site.
  - C. Customer has no outstanding amounts that are past due to the City.
  - D. Customer has complied with all Customer Obligations as set forth in this Agreement that are required to be complied with prior to interconnection, including but not limited to those set forth in Section 4 and Section 5 hereof.
  - E. Customer has submitted a completed Distributed Generator Application and Equipment Information Form ("Application") satisfactory to ERD Electric Utility, and all information, specifications, designs and test results specified in, and consistent with the requirements of, this Agreement (including Exhibit A and Exhibit B). The completed and approved Application is attached as Exhibit C.

- F. Customer's Distributed Generation Equipment has a DC rated nameplate capacity of no more than seven (7) kW.
2. TERM: This Agreement shall become effective as of the Effective Date and shall, unless otherwise provided herein, continue in effect from year to year until either Party terminates the Agreement. Any such termination (other than termination for cause by City) shall require written notice given at least ninety (90) days prior to the expiration of the existing term. No termination by Customer shall be permitted at any time Customer's Distributed Generation Equipment remains interconnected to the System.
3. INTERCONNECTION POINT: The point(s) of interconnection ("Interconnection Point(s)") shall be as indicated in Exhibit A and B, such determination to be solely within ERD Electric Utility's discretion.
4. CUSTOMER'S OBLIGATIONS: Customer shall, at its own risk and expense, be responsible for all costs and requirements relating to the Distributed Generation Equipment, any cost and requirement to maintain, operate, and repair Customer's side of the Interconnection Point, and all costs incurred by the City or ERD Electric Utility incurred as a result of interconnecting, or maintaining its System's interconnection with the Distributed Generation Equipment in the manner required by City. These obligations shall include, but not be limited to:
- A. Having any necessary permits to own and operate the Distributed Generation Equipment as then required by any state, local, or other authority having jurisdiction and use of a licensed, bonded and insured contractor to design and install the Distributed Generation Facility. Eligible license classifications for dealers include: B-, C-05 (Solar), C-11, KB-1, KB-2, KO- (Solar), K-05 (Solar), K-11, or other license accepted by City. Cooperating with ERD Electric Utility including complying with any City Electric Utility Interconnection Guidelines as they may be revised from time to time.
  - B. Complying with the Technical Interconnection Requirements set forth in Exhibit B attached hereto and hereby incorporated as part of this Agreement as such requirements may be modified from time to time.
  - C. Operating and maintaining the Distributed Generation Equipment and all other Customer-owned equipment on Customer's side of the Interconnection Point(s) in good repair, in accordance with manufacturer's guidelines and prudent electrical practices, and providing written evidence of such compliance to City upon request.
  - D. The payment of all costs, fees, and expenses, including those set forth in Section 5 of this Agreement, relating to the initial installation and interconnection and/or reasonable changes in Customer's connection, protective, or control equipment that may be required from time to time to meet conditions and requirements as set forth in the then current Terms and Conditions of Service, Rules and Regulations (Electric Utility), any City permitting requirements, and any other currently existing requirements of the City relating to the provision of electric service to the Customer, or Customer's interconnection with the System. Customer's obligation for payment to City shall also include any and all costs City incurs to accommodate approved Customer modifications to its interconnection, Distributed Generation Equipment, or its service.
  - E. All legal and financial obligations arising from the purchase, construction, installation, operation, and maintenance of the Distributed Generation Equipment.

5. CUSTOMER'S RESPONSIBILITY FOR CITY'S INTERCONNECTION COSTS:

- A. In addition to Customer's responsibility to pay all costs associated with its obligations herein, Customer shall also be responsible for the payment to City of the costs of connection, switching, relaying, metering, transmission, distribution, safety provisions, engineering studies, testing, design, and administrative costs incurred by City directly related to the installation of physical facilities necessary to permit interconnection or interconnected operations and to assure compatibility of service, to protect equipment or personnel, or to protect its System and all customers of the System, including, without limitation, costs to maintain, repair or replace such equipment or facilities during the term of this Agreement.
- B. Prior to commencement of any work by ERD Electric Utility involving installation of equipment and materials necessary for initial and continuing interconnection of the Distributed Generation Equipment, ERD Electric Utility will submit to Customer, for its acceptance, an estimate of the costs set forth in Section 5(A) and any costs relating to additional metering. Notwithstanding Section 2 of this Agreement, if the Customer fails to agree to such costs within sixty (60) days of the date on which the cost estimate is submitted, then the ERD Electric Utility may terminate this Agreement by giving written notice of termination to Customer and thereafter the parties shall have no continued obligation with respect thereto, except that Customer must reimburse City and ERD Electric for its expenses, incurred or actually committed to through the date of the termination. Any payments by Customer to City for expenses or obligations not already incurred or committed to by the City through the date of termination will be refunded to Customer.
- C. Customer agrees and acknowledges that City may incur costs and expenses in addition to those specifically set forth in this Agreement and that it shall reimburse City for any such costs and expenses reasonably associated with Customer's interconnection to the System and or any damage resulting therefrom through the term of such interconnection and/or this Agreement.

6. **CUSTOMER ACKNOWLEDGMENT: Customer understands, acknowledges, and agrees that City's review of information, application, specifications, designs and test results shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of Customer's Distributed Generation Equipment, or the technical or economic feasibility of the Distributed Generation Equipment. The sole purpose of City and ERD Electric Utility review is to evaluate whether the Distributed Generation Equipment will have an impact on the City's System. City shall not be responsible for any disruption to Distributed Generation Equipment's output.**

7. PARALLEL OPERATION:

- A. Customer shall not commence parallel operation of the Distributed Generation Equipment until ERD Electric Utility has: i) received documented assurance in the form of manufacturer's drawings and UL Listings from Customer that all parallel generation at the facility is incapable of energizing any portion of the System that may have separated from the rest of the System, ii) received documented assurance that all Distributed Generation Equipment is installed in accordance with the requirements of Exhibit B, and iii) has given final written approval to Customer.
- B. ERD Electric Utility reserves the right in its sole and absolute discretion to review all information, specifications, designs, and test results relating to the Distributed Generation Equipment.

- C. Customer must permit the City to witness the functional testing of all protective equipment and schemes. ERD Electric Utility must inspect the Distributed Generation Equipment and witness testing of any equipment or devices associated with the interconnection **prior to** giving written approval for parallel operation. Such prior written approval shall not be unreasonably withheld by ERD Electric Utility.
  - D. To prevent hazardous connections, Customer must install and properly maintain the devices specified in Exhibit B. In addition, Distributed Generation Equipment control circuit(s) must be designed. Manufacturer's literature and proof of UL listing may be used to provide the necessary documentation.
  - E. ERD Electric Utility may require modifications on an ongoing basis to the Customer's Distributed Generation Equipment to enable ERD Electric Utility to operate its System as safely and reliably as possible.
  - F. ERD Electric Utility reserves the right to inspect the Distributed Generation Equipment whenever it has reason to believe that Customer may be operating in a manner unsafe or harmful to the System, City personnel, the public, or customers. In such circumstances, ERD Electric Utility may also request that Customer test the Distributed Generation Equipment and provide it the results in writing irrespective of periodic testing of equipment that may be required or has been completed. Alternately, and at its option, City may, at Customer's expense, test the Distributed Generation Equipment.
8. INTERRUPTION OF INTERCONNECTION AND DISCONNECTION:
- A. Nothing in this Agreement shall obligate the City to maintain an interconnection with the Distributed Generation Equipment or to accept energy from Customer's Distributed Generation Equipment. ERD Electric Utility, in its sole and absolute discretion, may require Customer to disconnect the Distributed Generation Equipment from the System or interrupt or reduce deliveries of energy to ERD Electric Utility:
    - i. When necessary to investigate, inspect, construct, install, maintain, repair, replace, or remove any ERD Electric Utility equipment, any part of System, or the Distributed Generation Equipment;
    - ii. Because of emergencies, forced outages, uncontrollable forces, or compliance with prudent electrical practice; or
    - iii. Customer is in default of this Agreement including, without limitation, any act or omission that violates the Terms and Conditions of Service and/or the Rules and Regulations (Electric Utility), as such Terms and Conditions of Service or Rules and Regulations may be amended by City from time to time.
  - B. Notwithstanding any other provision of this Agreement, if ERD Electric Utility, in its sole and absolute discretion, determines that continued operation of the Distributed Generation Equipment may:
    - i. Endanger City or ERD Electric Utility personnel or the general public; or
    - ii. Impair the integrity of the System;

**or if:**

    - iii. A System emergency exists;
    - iv. A System maintenance or construction outage is in process;
    - v. Customer is in default of this Agreement including, without limitation, any act or omission that violates the Terms and Conditions of Service and/or the Rules and Regulations (Electric Utility), as such Terms and Conditions of Service or Rules and Regulations may be amended by City from time to time;

then, in any such case, ERD Electric Utility may disconnect the Distributed Generation Equipment from the System. In such event, the Distributed Generation Equipment shall

remain disconnected until ERD Electric Utility is satisfied that the condition(s) resulting in the disconnection have/has been completely and satisfactorily corrected.

- C. ERD Electric Utility, as it deems prudent, may open the load-break disconnect device specified in Exhibit B, to separate the Distributed Generation Equipment from the System. Customer shall not close the load-break disconnect switch unless ERD Electric Utility has first energized its service to the Interconnection Point(s).
  - D. **ERD Electric Utility shall have no obligation to compensate Customer for any loss of energy during any period when the Distributed Generation Equipment is operating at reduced capacity or is disconnected from the System pursuant to this Agreement regardless of cause. Customer shall pay all costs incurred by the City for the disconnection and restoration of the Distributed Generation Equipment.**
9. REQUIRED CUSTOMER CHANGES: ERD Electric Utility may provide notice to Customer of any changes required by ERD Electric Utility if Customer's existing Distributed Generation Equipment is not adequate to protect the System and its safety and reliability. Absent any immediate threat of danger to persons or damage to property, Customer must institute such changes within a reasonable period, not to exceed sixty (60) days, after receipt of notice from ERD Electric Utility. Except as may be otherwise provided in this Agreement, Customer must make such changes at its own expense, and only after receiving written approval from ERD Electric Utility.
10. RIGHT OF ACCESS: Customer hereby grants City and its employees and agents access to the Site and the Distributed Generation Equipment at all times for emergency operation or repair of the System and related facilities, and at all other reasonable times for such purposes as installing, constructing, modifying, testing and maintaining the System and related facilities and as otherwise required in the Terms and Conditions of Service to provide electric service to the Customer. The City reserves the right to inspect the Distributed Generation Equipment including the Customer's side of the Interconnection Point at any time, in its sole and absolute discretion, upon reasonable notice (if practical) to Customer.
11. DATA: Customer agrees to let ERD Electric Utility monitor the output of the Distributed Generation Equipment and will, if available, provide ERD Electric Utility output information to which Customer has access. Customer agrees that City and/or ERD Electric Utility may use data from the Distributed Generation Equipment in research activities and may publish and, as a public entity, or at its discretion, may disseminate the data.
12. PROTECTION AND SECURITY OF CITY PERSONNEL AND PROPERTY: Customer must not compromise any safety or security measures taken by City. Customer shall exercise reasonable care to prevent unauthorized access to the System or ERD Electric Utility equipment located at the Site.
13. UNCONTROLLABLE FORCES: Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement, other than the obligation of the Party to make payment of amounts due, as a result of causes beyond its reasonable control, including but not limited to, failure or threat of failure of facilities, unusually severe weather, flood, drought, earthquake, storm, lightning, fire, epidemic, and other natural catastrophes, quarantine restrictions, war (declared or undeclared), sabotage, computer virus, act of a public enemy, insurrection, riot, terrorism, civil disturbance, labor disturbance, labor disputes, strike, work stoppage caused by jurisdictional or similar disputes, restraint by court order or public authority, inability to obtain or delay in obtaining necessary authorizations or approvals from any

governmental agency or authority, or any like cause, beyond the control of a Party which by the exercise of due diligence and reasonable foresight such Party should not be expected to have avoided and which by the exercise of due diligence such Party is unable to overcome. Nothing contained herein shall be construed to require either Party to settle any strike or labor dispute in which it may be involved. If Customer is rendered unable to fulfill any of its obligations under this Agreement by reason of this Section 13, it must give prompt written notice of such fact to the City and shall exercise due diligence to remove such inability with all reasonable dispatch.

14. **INDEMNIFICATION:** To the fullest extent permitted by law, Customer shall indemnify, defend and hold harmless City, ERD Electric Utility, any and all of the members of their governing bodies, their officers, agents, representative, and employees ("City Indemnifieds") for, from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses, and liabilities, whether direct, indirect or consequential, related to, arising from, or in any way connected with: (a) Customer's or any non- ERD Electric Utility party's design, construction, installation, inspection, maintenance, testing or operation of the Distributed Generation Equipment used in connection with this Agreement; (b) the interconnection of the Distributed Generation Equipment with, and delivery of energy from the Distributed Generating Facility to the System; or (c) the performance or nonperformance of Customer's obligations under this Agreement. Customer's duty to defend, indemnify and hold harmless City Indemnifieds shall arise in connection with all demands, proceedings, suits, actions, claims, workers' compensation claims, unemployment claims, damages, losses or expenses that are attributable to personal or bodily injury, sickness, disease, death, or injury to, impairment or destruction of property caused or alleged to have been caused by any act or omission of Customer, its agents, representatives, officers, officials, subcontractors and anyone directly or indirectly employed by Customer or for whose acts Customer may be responsible. Customer's obligations under this Section shall survive the termination of this Agreement.
15. **LIABILITY AND DAMAGES:** To the fullest extent permitted by law, and notwithstanding any other provision of this Agreement to the contrary, neither the City, ERD Electric Utility, nor the respective members of its governing bodies or its officers, agents, employees, subsidiaries, or affiliates or the members of their governing bodies or their officers, agents, employees, subsidiaries, or affiliates (collectively the "Related Parties" for purposes of this Section 15) shall be liable to the Customer or its successors or assigns, or their respective insurers for any incidental, indirect, consequential, punitive or other special damages whatsoever, including, without limitation, lost profits, production losses, production delays or any and all other damages or losses, for performance or nonperformance of its obligations under this Agreement, even if such Party is advised of the possibility thereof, and irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of Customer, City, ERD Electric Utility or other Related Parties), strict liability, contracts, operation of law or otherwise.
16. **NOTICES:**
  - A. Any formal notice, demand or request provided for in this Agreement shall be in writing and shall be properly served, given or made, if delivered in person, sent by U.S. mail, postage prepaid, or if sent by overnight delivery service, addressed as follows. Notice may also be given by electronic mail (e-mail); provided, a copy of the notice shall be promptly mailed or sent by overnight delivery service to the appropriate address in the manner stated below:

<u>Hand Delivery</u> Attn: Energy Resources Program Manager 640 North Mesa Drive PO Box 1466 Mail Stop 5030 Mesa, AZ 85211-1466	<u>Hand Delivery</u> Attn: (Name of Contact) (Customer Name) (Street Address) (City, State, Zip Code) (Phone: (xxx) xxx-xxxx, Ext. xxx)
<u>U.S. Postal Service City of Mesa:</u> City of Mesa Attn: Energy Resources Program Manager PO Box 1466 Mesa, AZ 85211-1466	<u>U.S. Postal Service Customer:</u> Attn: (Name of Contact) (Customer Name) (Street Address) (P.O. Box #) (City, State, Zip Code)

- B. Either Party may change its address or the person designated to receive notification hereunder by giving notice of such change in the manner provided above.
17. **NO THIRD PARTY BENEFICIARIES AND TRANSFER OF INTEREST IN AGREEMENT:** This Agreement is for the sole benefit of the Parties and shall not be construed as granting rights to any person other than the Parties. This Agreement shall inure to the benefit of and be binding upon any successor or assign of City and/or ERD Electric Utility whether such succession or assign is by voluntary transfer or operation of law. Customer shall not assign this Agreement or its rights or obligations hereunder without the prior written consent of City. At City's sole discretion, any successor to Customer in the operation of the Distributed Generation Equipment intending to interconnect with ERD Electric Utility may be required to negotiate and execute a separate Agreement for Interconnection Service prior to interconnecting with ERD Electric Utility.
18. **SUPERSEDES PRIOR AGREEMENTS:** Effective as of the date hereof, this Agreement supersedes all prior agreements or commitments for interconnection service between City and/or ERD Electric Utility and Customer including any previous interconnection agreements.
19. **NON-WAIVER:** None of the provisions of this Agreement shall be considered waived by either Party except when such waiver is given in writing. No waiver by either Party of any one or more defaults in the performance of the provisions of this Agreement shall operate or be construed as a waiver of any other existing or future default or defaults.
20. **TERMS AND CONDITIONS:** City's Terms and Conditions of Service on file in the City Clerk's office of City of Mesa (and at City's website: [www.mesaaz.gov](http://www.mesaaz.gov)), as they may be amended or revised from time to time, and all terms and conditions thereof are hereby referred to, adopted and incorporated by reference as part of this Agreement. Customer shall also at all times during the term of this Agreement be subject to the Terms and Conditions of Service, the ERD Electric Utility rates, and or any other requirements City may then have that is required of customers in the Customer's rate class and for the safe interconnection to the System. Any action by City of Mesa's City Council or other City authority that modifies City of Mesa's Terms and Conditions shall not by such action invalidate this Agreement.
21. **CONFORMANCE TO LAW, GOVERNING LAW AND VENUE:** Customer must conform to all applicable federal, state, county and local laws, ordinances, codes, rules, regulations and permit requirements, including construction, zoning, operating and environmental regulations. This



Agreement shall be construed in accordance with the laws of the State of Arizona without regard to its conflict of laws provisions. Any court action arising under this Agreement shall be initiated and prosecuted in a state or federal court in Maricopa County, Arizona.

22. SEVERABILITY OF AGREEMENT: If any provision hereof or any portion of any provision hereof shall be deemed invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability, shall not alter the remaining portion of any provision, or any other provision hereof, as each provision of the Agreement shall be deemed to be severable from all other provisions hereof.
23. NOTICE: Customer is hereby notified of the following Arizona Revised Statutes to the extent applicable to an agreement of this nature of this Agreement :
- A. A.R.S. § 23-214 - Verification of employment eligibility; e-verify program; economic development incentives; list of registered employers
  - B. A.R.S. §35-392 - State treasurer and retirement System divestments; policy notices
  - C. A.R.S § 38-511 – Cancellation of political subdivision and state contracts;
  - D. A.R.S. § 39-121 - Inspection of public records
  - E. A.R.S. § 41-4401 – Government procurement; e-verify requirement
  - F. Arizona Constitution Article 9, 13, A.R.S. § 41-17106 – expenditures limited to budgeted purposes.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date written above.

CUSTOMER

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

CITY

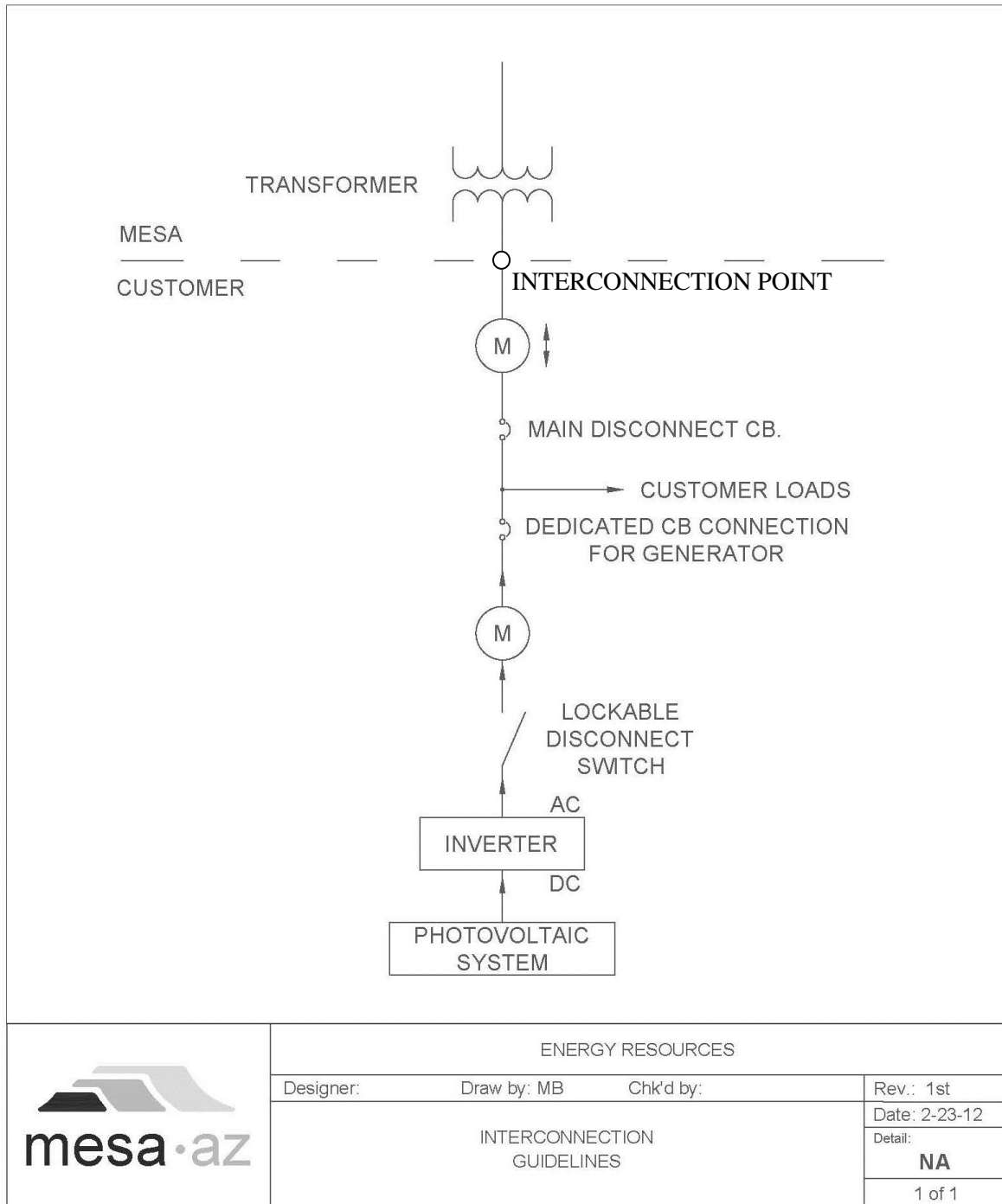
BY \_\_\_\_\_

Frank McRae

Its: Energy Resources Department Director

## EXHIBIT A

### ONE-LINE DRAWING OF POINT OF DELIVERY TO CUSTOMER AND POINT OF SEPARATION OF CUSTOMER'S GENERATOR



**EXHIBIT B**  
**TECHNICAL INTERCONNECTION REQUIREMENTS**

City or Customer may from time to time require changes in Customer's connection, protective, or control equipment to meet changing conditions and requirements for the Distributed Generation Equipment or System.

**1.0 GENERAL OBLIGATIONS:**

- 1.1 Customer shall ensure, at its sole expense, that the electrical characteristics of its load and generation equipment conform to City's normal power quality requirements. Any deviation from sine wave form or unusual interval fluctuations in power demand or production shall not result in impairment of electrical service to others. Power factor shall be within the acceptable limits defined by ERD Electric Utility's Electric Distribution Specifications and its Rules and Regulations.
- 1.2 Customer must, at its own expense, design, own, operate and maintain the Distributed Generation Equipment in good repair in accordance with manufacturer's guidelines and prudent electrical practices including, but not limited to NFPA 70 and Section 690 of the National Electrical Code, and provide written evidence to City of such compliance upon request of City.
- 1.3 Customer must install only Underwriters Laboratories Inc. (UL) certified equipment and devices as part of the Distributed Generation Facility, unless otherwise approved in writing by City. Inverter shall be certified as UL 1741 compliant. Customer must provide evidence of UL 1741 compliance by submitting manufacturer's written specifications to City. New systems shall only use PV modules and inverters approved under California SB1 guidelines (which can be found online at <http://www.gosolarcalifornia.org/equipment/>)
- 1.4 The Distributed Generation Equipment at the Site must be off-line before the City electric service is restored (reclosed) following a trip of the City's feeder breaker or other protective device. See the Agreement to which this Exhibit is attached for requirement of written assurance.
- 1.5 Relaying and protection requirements stated herein shall take into consideration whether Customer has more than one Distributed Generation Equipment, and whether such Distributed Generation Equipment can be switched by Customer among multiple Interconnection Points.
- 1.6 During ERD Electric Utility Hot Line Tag (situations when Reclosing of a feeder breaker is disabled for the additional safety of line personnel working on or near energized lines and/or equipment) conditions, the Customer's loads may not be able to be served by another 12kV feeder. ERD Electric Utility reserves the right to isolate the Distributed Generation Equipment via the disconnect device (Section 2) and the customer will operate solely from energy provided by ERD Electric Utility.

**2.0 LOCKABLE LOAD-BREAK DISCONNECT SWITCH:**

Customer must install a lockable load-break disconnect switch with a visible break for use by the City as a means of electrically isolating the System from the Distributed Generation Equipment and to establish working clearance for maintenance and repair work in accordance with the City's and ERD Electric Utility's safety rules and practices, subject to the following requirements:

- 2.1 The disconnect switch must be **CLEARLY IDENTIFIED AND MARKED BY CUSTOMER AND EASILY ACCESSIBLE** at all times to the City's personnel.
- 2.2 The disconnect switch **MUST BE LOCKABLE ONLY IN THE OPEN POSITION** with a standard City or ERD Electric Utility padlock. Only City personnel shall remove this

padlock. **UNAUTHORIZED REMOVAL SHALL BE DEEMED A MATERIAL BREACH OF THIS AGREEMENT.**

- 2.3 Customer is responsible for all labor and material costs to install, maintain, repair, or replace the disconnect switch.
  - 2.4 The disconnect switch and its location must be approved by ERD Electric Utility prior to installation.
  - 2.5 The disconnect switch may be opened at any time by the City without notice.
  - 2.6 The disconnect switch shall be labeled by the customer as follows:  
DISTRIBUTED GENERATION DISCONNECT SWITCH WARNING!  
ELECTRICAL SHOCK HAZARD  
DO NOT TOUCH TERMINALS  
TERMINALS ON BOTH THE LINE AND LOAD SIDES MAY BE ENERGIZED IN THE OPEN POSITION
- 3.0 **SYSTEM SIZE:** The installed DC nameplate capacity of the Distributed Generation Equipment shall not be greater than the lesser of seven (7) kW or such kilowatt peak as shall be determined by ERD Electric Utility on a case by case basis.
- 4.0. **METERING OF DISTRIBUTED GENERATION EQUIPMENT:** Customer must install a meter socket and wiring to allow measurement of energy production from the Distributed Generation Equipment. The meter socket and its installation shall be in accordance with ERD Electric Utility specifications.
- 4.1 The meter socket must be wired such that the meter runs forward while measuring generation from the Distributed Generation Equipment.
  - 4.2 There shall be no load connected between the dedicated meter and the panel breaker connected to the Distributed Generation Equipment. The breaker in the customer's main distribution panelboard connected to the Distributed Generation Equipment shall have no other load, and shall be a dedicated circuit.
  - 4.3 The meter socket shall be located next to the Customer's existing ERD Electric Utility meter.
  - 4.4 ERD Electric Utility will provide and install a meter to measure energy production from the Distributed Generation Equipment. For Distributed Generation Facilities with battery back-up, ERD Electric Utility **will not** supply or install a meter to measure energy production.
- 5.0 **ACCEPTANCE TESTING AND INSPECTION:** Prior to commencing parallel operation of the Distributed Generation Equipment with the System, the Distributed Generation Equipment will be subject to acceptance testing and inspection whereby the ERD Electric Utility may, in its sole discretion, verify the safe and proper operation and interconnection of the Distributed Generation Equipment including but not limited to the following,:
- 5.1 All equipment comprising the Distributed Generation Equipment must be the same, approved equipment listed by the Customer in the Application.
  - 5.2 All equipment comprising the Distributed Generation Equipment and the remainder of the Customer's electrical service falls within the guidelines and technical specifications listed in this Agreement.
  - 5.3 The energy produced is both within the acceptable limits for voltage and power quality and that the energy produced over a billing cycle is within the normal tolerances for the expected energy output of the Distributed Generation Equipment.
  - 5.4 The Distributed Generation Equipment stops the flow of energy from the Distributed Generation Equipment to the System when an electrical outage is simulated.

**Failure of any acceptance testing and inspection may result in ERD Electric Utility's refusal to allow the interconnection of the Distributed Generation Equipment.**

**EXHIBIT C**

**COMPLETED APPLICATION FOR THE DISTRIBUTED GENERATION EQUIPMENT**

DRAFT